



TEB

Q4'21 Earning Presentation



TEB
BNP PARIBAS ORTAKLIĞI

Summary Balance Sheet

TÜRK EKONOMİ BANKASI A.Ş.
Consolidated (in Mn TL)

	31.12.2020	31.12.2021	YtD Chg
Cash & Cash Equivalents	29,802	47,430	59%
Marketable Securities	22,806	29,201	28%
Loans (net) ^(*)	81,201	108,464	34%
Other Assets	8,921	13,759	54%
Total Assets	142,730	198,854	39%
Deposit	93,742	131,583	40%
Funds Borrowed	11,911	19,799	66%
Securities Issued	4,811	1,195	-75%
Repo	6,734	8,926	33%
Subordinated Debt	4,195	7,239	73%
Other Liabilities	9,647	16,056	66%
Shareholders Equity	11,690	14,056	20%
Liab.&Shr.Equity	142,730	198,854	39%

^(*) including Factoring Receivables



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Summary Income Statement

TÜRK EKONOMİ BANKASI A.Ş.

Consolidated (in Mn TL, cumulative)

	31.12.2020	31.12.2021
Net Interest Income	6,253	7,066
Gains/Losses From Derivatives and FX position	(1,684)	(1,921)
Securities Trading Gain/ Loss	(52)	(66)
Net Fee&Commissions	1,332	1,590
Other Income	129	214
Net Banking Income	5,978	6,884
Cost of Risk	(752)	8
Net Operating Income	5,226	6,892
Other Operating Expense	(1,911)	(2,234)
Personnel Expenses	(1,664)	(1,936)
Other Provisions	23	(2)
Dividend Income	4	4
Tax Provisions	(408)	(643)
Net Profit	1,269	2,081



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Summary at Glance

Loans reaching 54% of the Bank's total asset as an indicator of TEB's continuous support for both its customers and the economy.

As of 31 December 2021, TEB's total assets increased to TL 194.8 billion, posting 39% growth in comparison with the last year.

TEB's total lending realised as TL 108.4 billion at year-end while the Bank's total deposits amounted to TL 131.5 billion.

TEB's shareholders' equity was TL 14.0 billion as of 31 December 2021 with 17.77% capital adequacy ratio which was well above the 12% targeted ratio.

TEB posted net of profit of TL 2.081 million while achieving 16.7% RoE and 1.2% RoA.

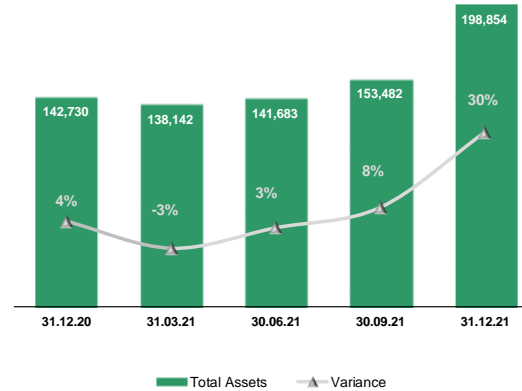
Continuing growth in digital customer acquisition, reaching approximately 2.2 million digital active customers in CEPTETEB.



Asset and Liability Composition

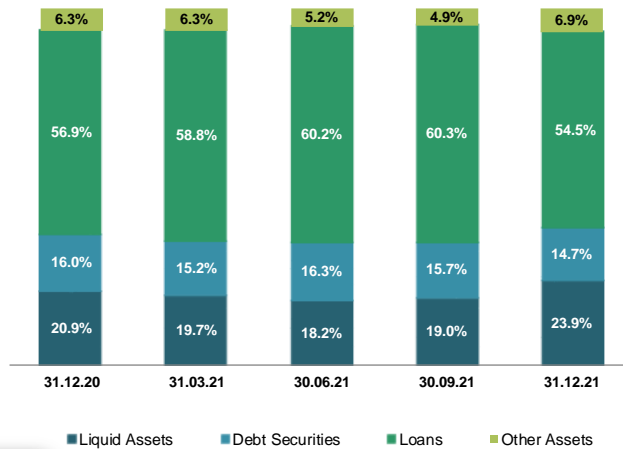
Total asset grew by 39% ytd with 54.5% loans share in total assets and 66.2% deposits share in total liabilities

Balance Sheet Growth

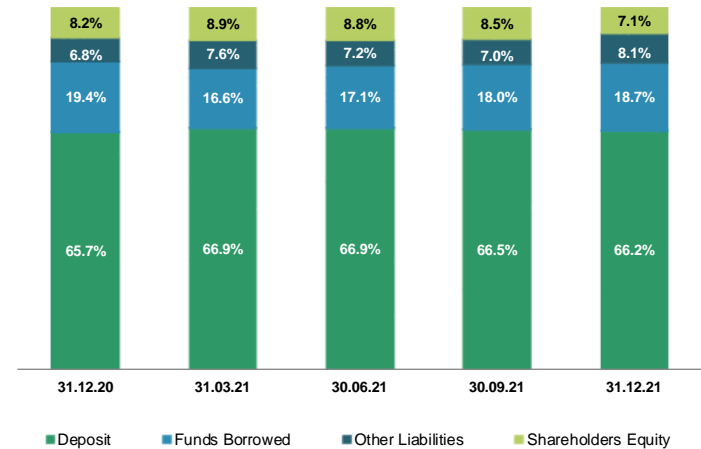


Sound and Prudent Balance Sheet Management

Asset Compositions



Liability Compositions

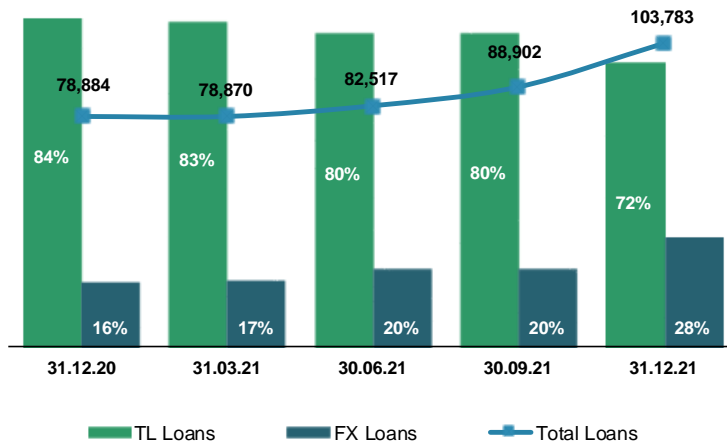


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A Closer Look into Loans

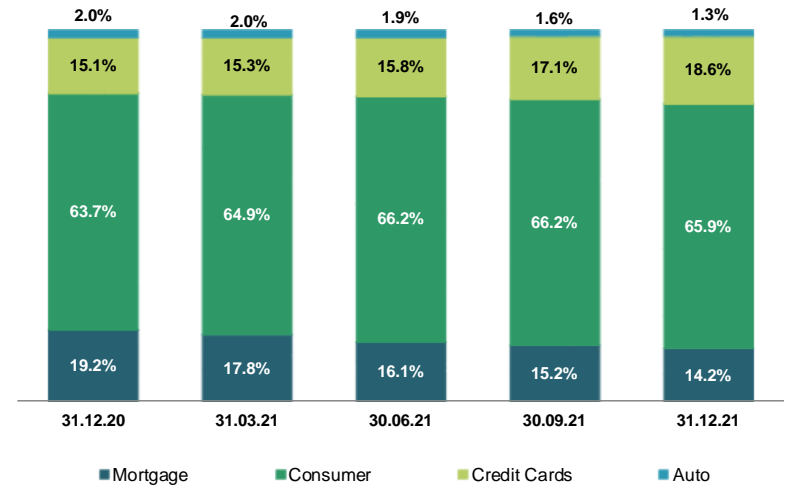
Ytd loan growth of 34% in which retail loans takes the lead in the growth

Loan Compositions

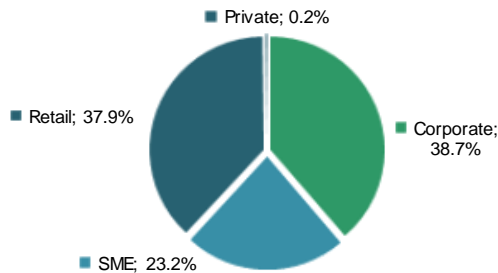


Focus on consumer loans delivered the growth in retail segment delivering market share in credit cards

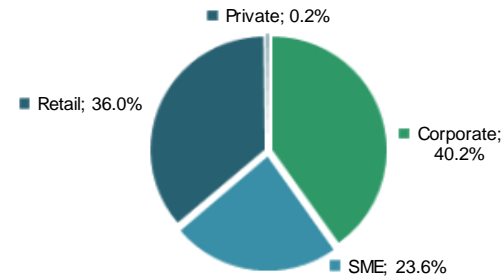
Breakdown of Retail Loans



Performing Loans - Dec'20



Performing Loans - Dec'21

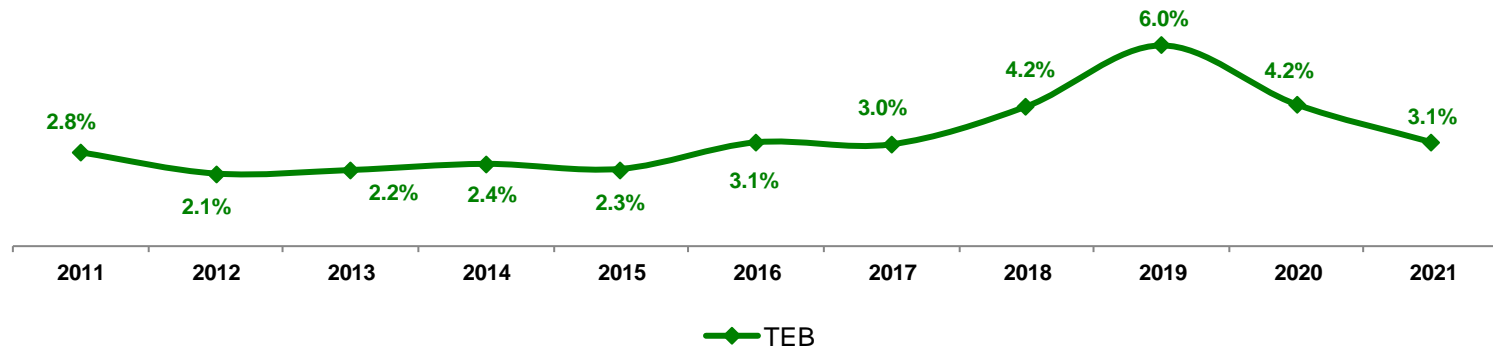


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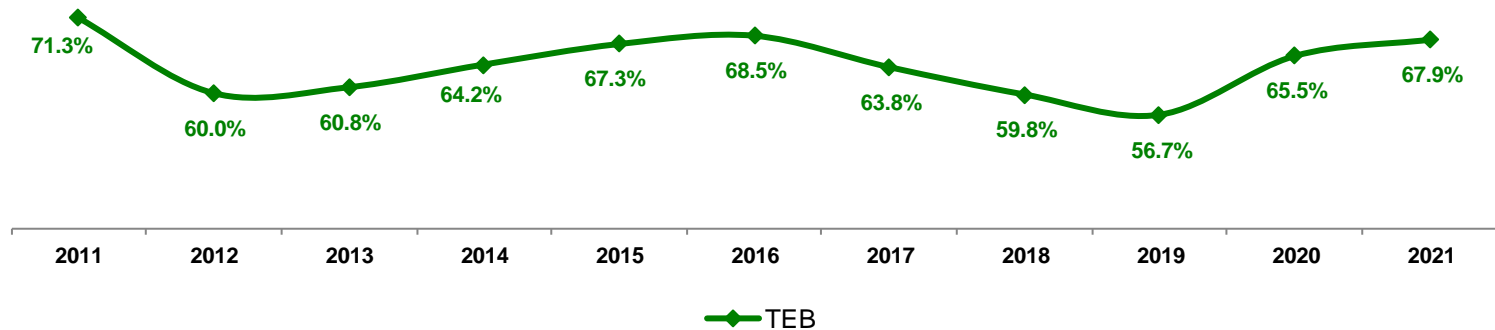
NPL and Coverage Ratios

NPL ratio is in decreasing trend with an increase in coverage ratio, reflecting the conservative provisioning policy

NPL Ratio

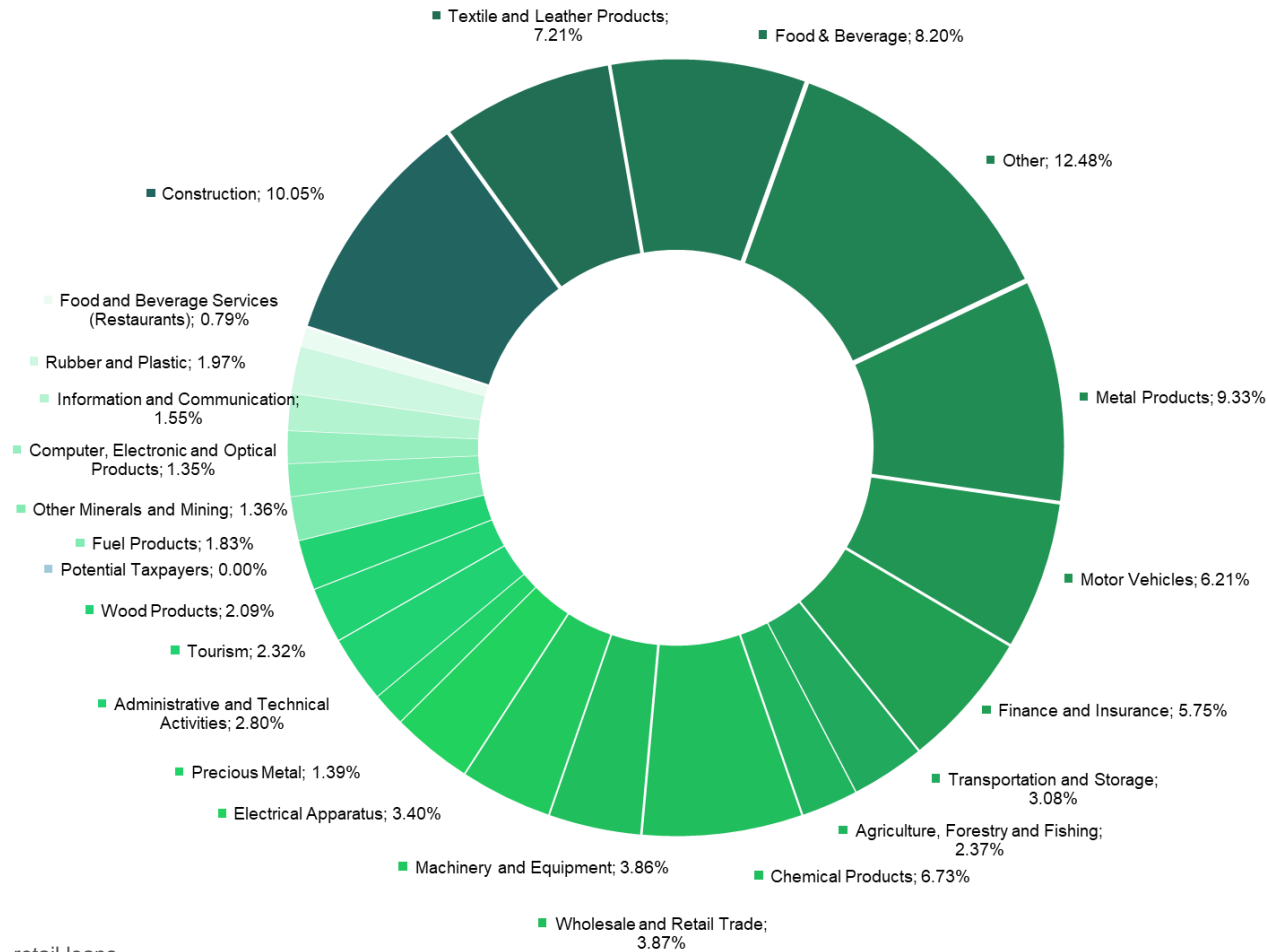


Coverage Ratio



Sectoral Breakdown of Loan Portfolio(*)

Maintained well-diversified loan portfolio



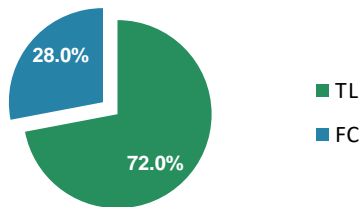
(*) incl. non-cash loans, excl. retail loans



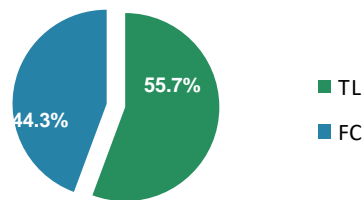
Composition of Debt Securities

Total Securities Compositions

2020 Q4

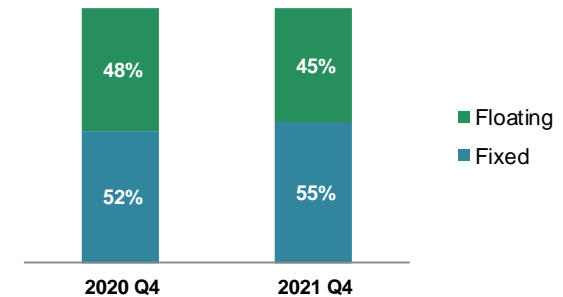


2021 Q4

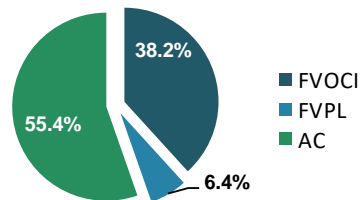


Interest Rate Compositions

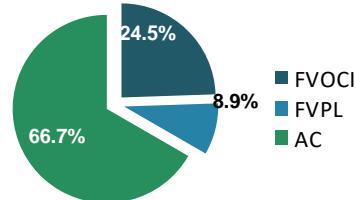
Total Securities



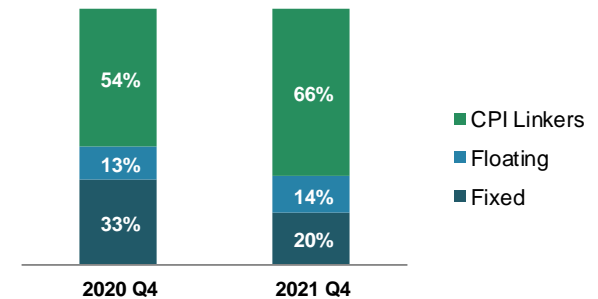
2020 Q4



2021 Q4



TL Portfolio



CPI linker volume reached 10.7 bln TL with a positive impact in NIM reaching ~76% of equity

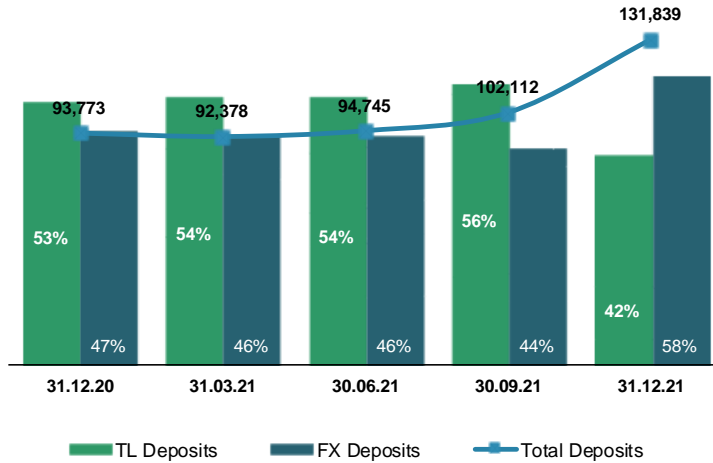


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A Closer Look into Deposits

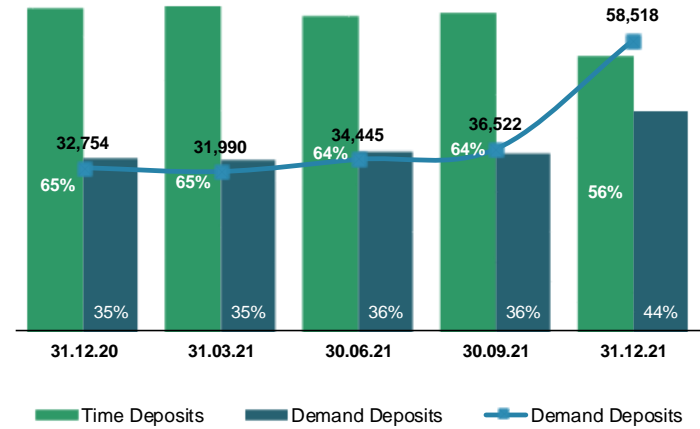
Robust growth in customer deposits

TL/FX Deposit Compositions

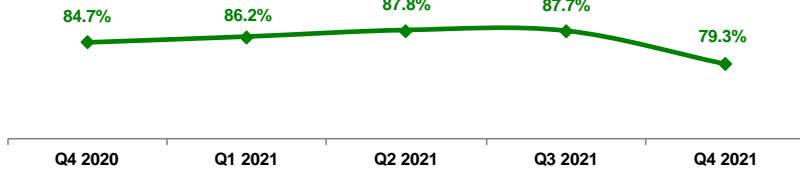


Demand deposit share showed increase compared to year-end

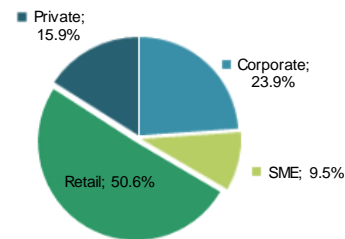
Time/Demand Deposit Compositions



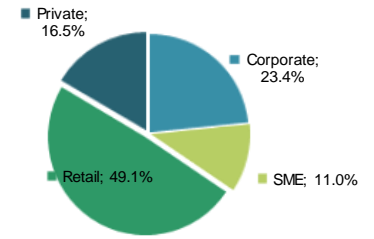
Loan / Deposit Ratio



Total Deposits - Dec'20



Total Deposits - Dec'21

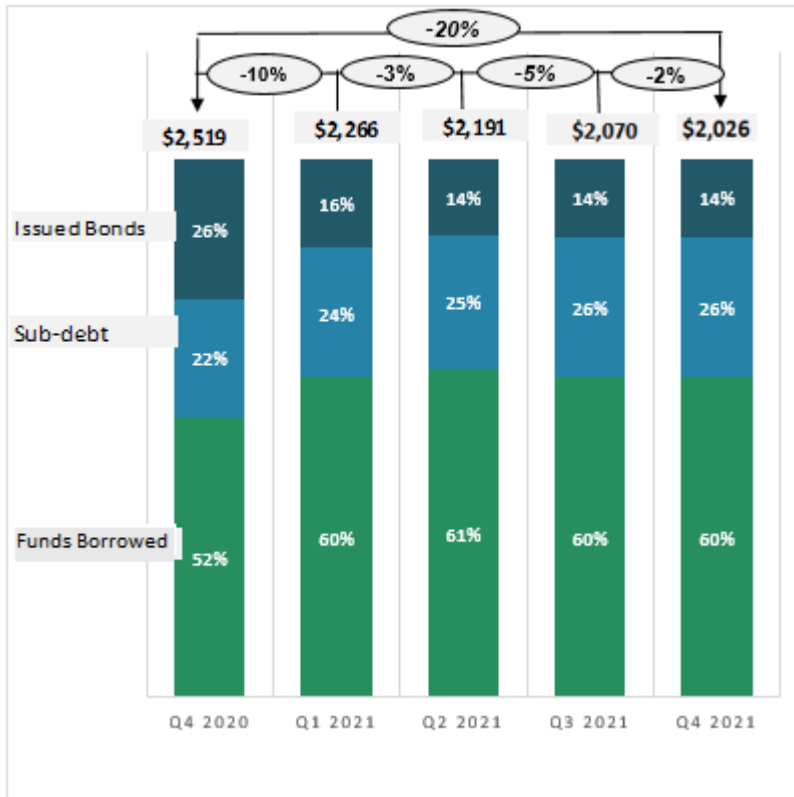


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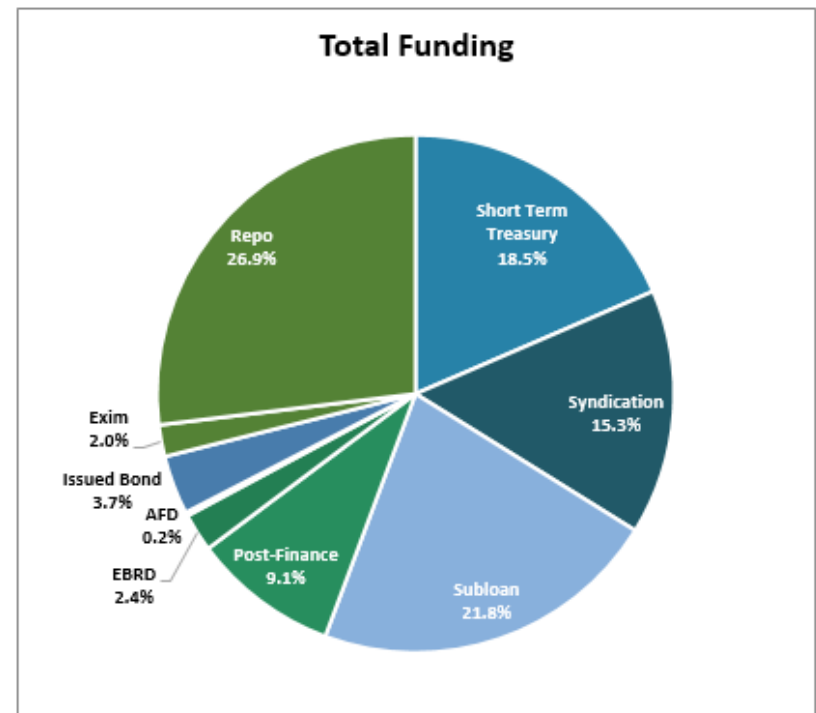
Wholesale Borrowings

Maintained disciplined funding mix

Wholesale Borrowings By Type



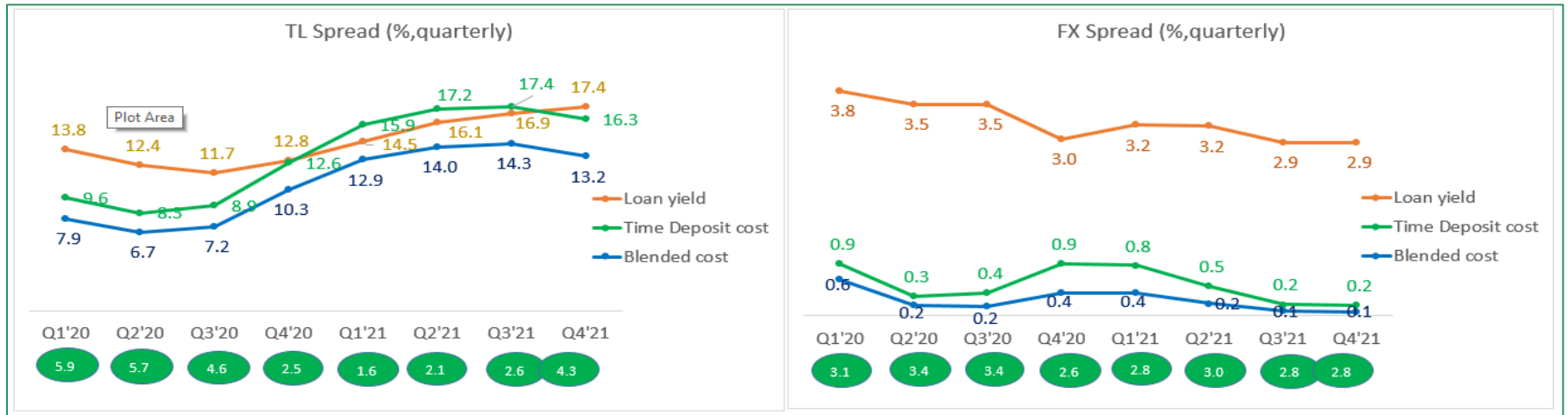
Wholesale Borrowings Breakdown



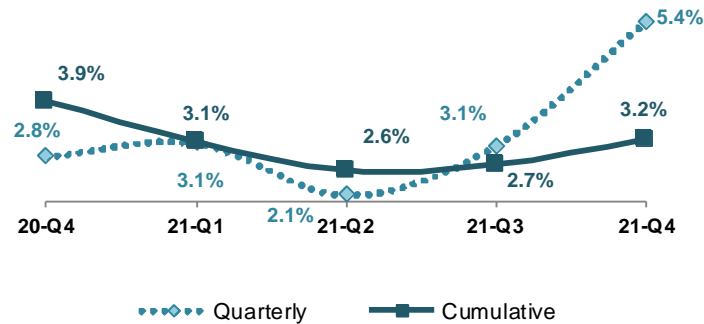
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Spreads & NIM

Steady improvement in TL spreads in year 2021



Net Interest Margin



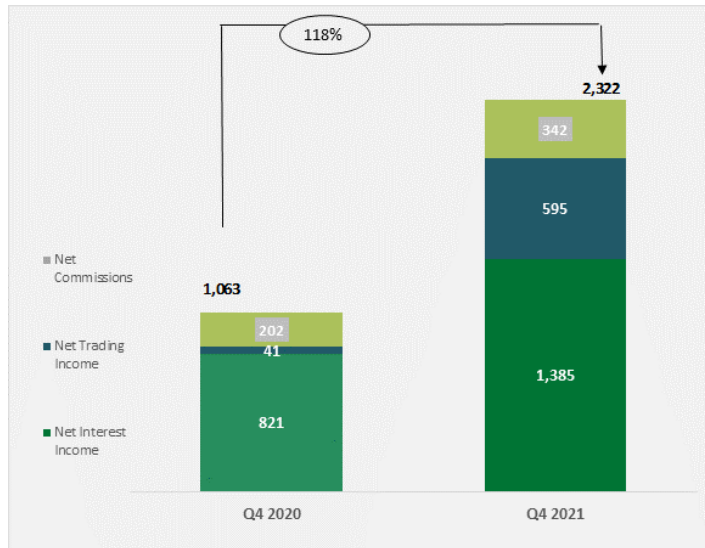
The rate cuts & CPI linkers supporting NIM improvement



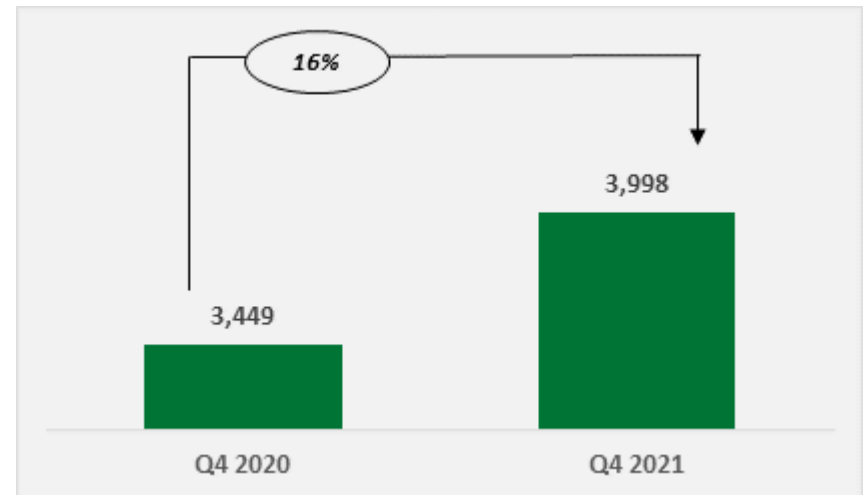
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Consistent Profitability and Cost Management

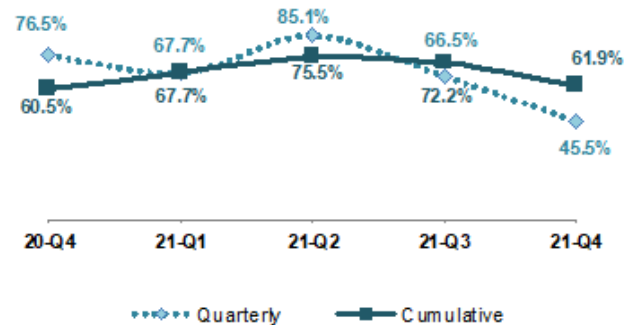
Total Operating Income



OPEX (TL)



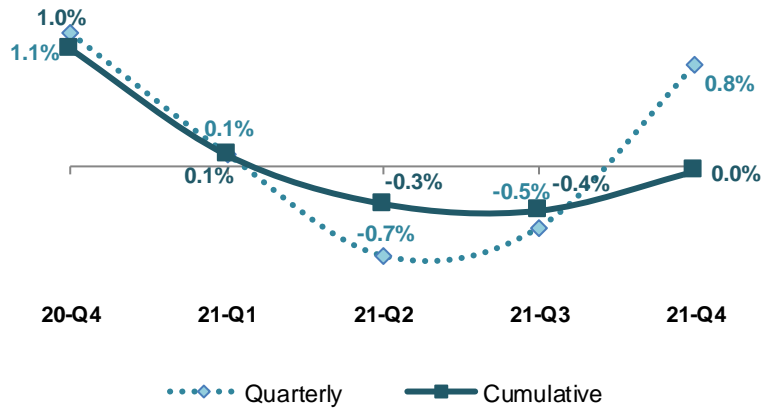
Cost/Income



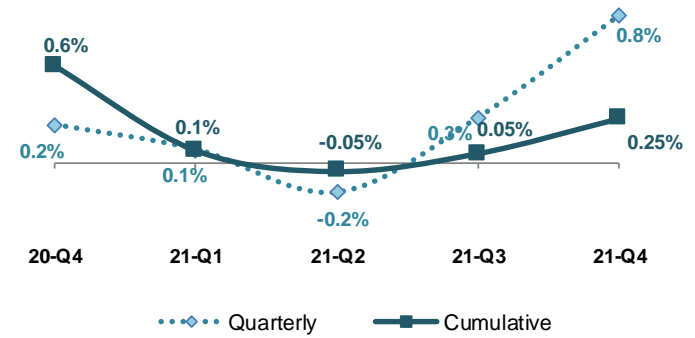
Evolution of Cost of Risk

Total cost of risk at the negative territory

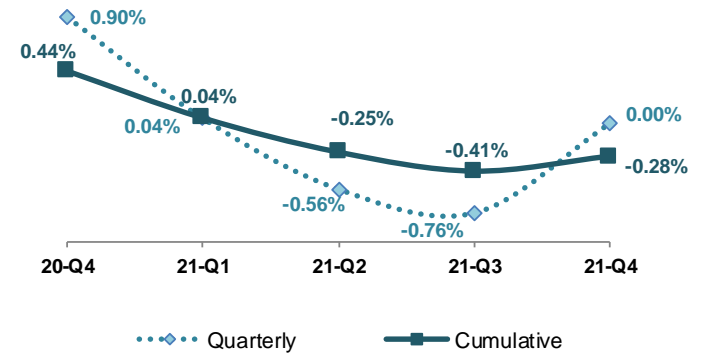
Cost of Risk



Cost of Risk (Stage 3)



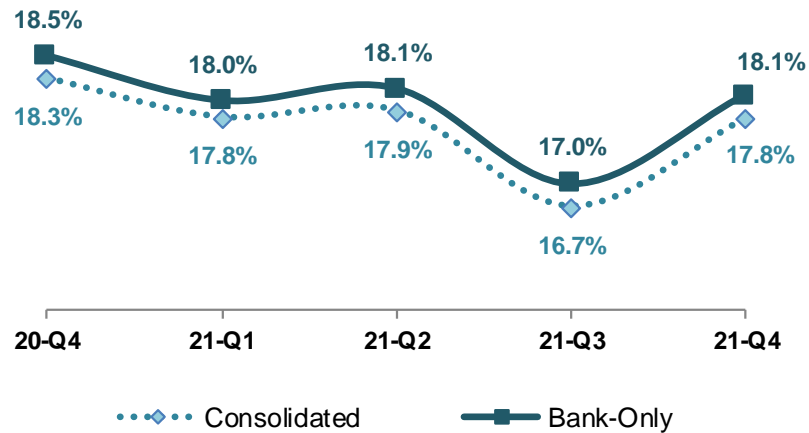
Cost of Risk (Stage 1 & 2)



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TEB: a solid and well capitalised

Comfortable CAR supporting growth



Strong capital buffers well above regulatory limits



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APPENDIX



Ratings of TEB

FITCH (December 10, 2021)

	Rating	Outlook
Long-Term FC Issuer Default Rating	B+	Negative
Short-Term FC Issuer Default Rating	B	-
Long-Term LC Issuer Default Rating	BB-	Negative
Short-Term LC Issuer Default Rating	B	-
Viability Rating	b+	-
National Long-Term Rating	AA (tur)	Stable
Shareholder Support Rating	b+	-

MOODY'S (December 10, 2020)

	Rating	Outlook
Long Term FC Bank Deposits	B2	Negative
Short Term FC Bank Deposits	NP	-
Long Term LC Bank Deposits	B1	Negative
Short Term LC Bank Deposits	NP	-
Baseline Credit Assessment	b3	-
Adjusted Baseline Credit Assessment	b1	-
Long Term FC Counterparty Risk	B2	



TEB's First Sustainability Linked Loan

Sustainability Linked Syndication key points

- ❑ First **Sustainability Linked Syndicated** Term Loan Facility.
- ❑ Significant **oversubscription** to **USD 414 million with 123% roll over**. After having scale back we have roll-over the **USD 380 million** equivalent consisting of two tranches, EUR 230,5 million and USD 113 million resulting **113% roll over**.
- ❑ **Improved the costs** by 35 bps in USD tranche and 50 bps in Euro tranche compared to our October 2020 syndication deal.
- ❑ The cost of this rolled-over 367-day loan is Libor+2.15 and Euribor+1.75.



TEB - Several awards in 2021

- ❑ CEPTETEB, TEB's digital banking platform, won an award in the category of banks operating in Western Europe at the Global Finance Awards, and CEPTETEB was also awarded the "Best Customer Orientation" at the Best Business Awards.
- ❑ TEB Private Banking was deemed worthy of the "Best Private Banking in Turkey" awards as part of the competitions organized separately by Global Finance and World Finance magazines and rewarding the most successful banking services.
- ❑ TEB Cash Management was once again selected as the "Best Cash Management Bank of the Year in Turkey" by Asian Banking and Finance for its innovative cash management solutions for SMEs and corporate companies and its work in this field.
- ❑ TEB Call Center won the "Best Call Center" and "Best Customer Services" categories at the Contact Center World 2021 Awards with its applications that make a difference in customer experience, such as voice guidance, increasing self-service functions and speech analytics, while TEB's chatbot application TELEPATİ was also awarded a gold medal in the "Best Use of Technology" category.



Digital Banking in 2021

Client Base **2.2 million** active client in online banking - **74%** penetration ratio (*TBB Report)

Migration Ratio 96% of six main transactions over Digital Channels
(Cash Withdrawal, Cash Deposit, Credit Card payments, Loan payments, Invoice Payments and Money Transfers)

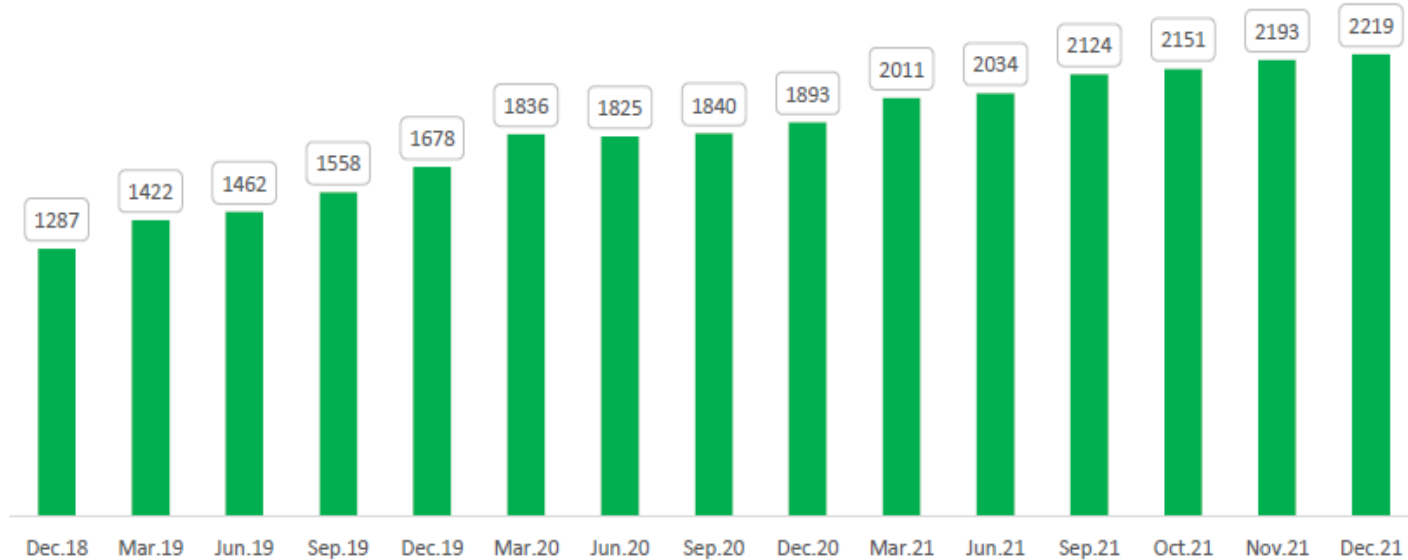
CEPTEB Digital Bank **1.5 million** CEPTETEB Digital Banking Clients (**%61** of them active)
TL 4.7 billion Deposit Amount (%19 of Retail Deposits)
TL 5 billion Stock Credit Amount (%30 of total Consumer Loans)
210 K CEPTETEB Credit Cards with outstanding amount of TL 683 million

ATM Network # of ATM **1.619** ve **%3,10** market share



Digital Banking in 2021

of Active Online Banking Clients (*)



(*) Active definition: At least login once in the last 90 days



Summary Balance Sheet

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Net Fee&Commissions	1,157	1,385
Other Income	133	221
Net Banking Income	5,696	6,460
Cost of Risk	(752)	31
Net Operating Income	4,944	6,492
Other Operating Expense	(1,867)	(2,170)
Personnel Expenses	(1,582)	(1,828)
Other Provisions	23	(2)
Dividend Income	31	6
Tax Provisions	(372)	(586)
Net Profit	1,177	1,913



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